

Alaska Oil and Gas Association



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Kara Moriarty, President & CEO

March 7, 2017

Senator Peter Micciche
Alaska State Senate
State Capitol, Room 408
Juneau, AK 99801-1182

Dear Senator Micciche:

I am writing on behalf of the Alaska Oil and Gas Association (AOGA) to express our support for Senate Bill 64, an act adopting the Uniform Environmental Covenants Act (UECA). AOGA is a professional trade association whose mission is to foster the long-term viability of the oil and gas industry for the benefit of all Alaskans. AOGA's members have a long history of prudent and environmentally responsible oil and gas exploration and development in Alaska. From AOGA's perspective, there are a number of benefits associated with adopting UECA.

Well over a decade ago, the Uniform Law Commissioners drafted a Uniform Covenants Act in an attempt to address flaws, gaps, and other inadequacies related to the common law rules. Providing a structure for environmental covenants affords property owners to sell property with use limitations to mitigate risk. Currently, Alaska is one of only 7 states lacking an environmental covenant law. An environmental covenant is a specific recordable interest in the real estate that would be tracked through an Alaska Department of Environmental Conservation (ADEC) database. Each respective covenant would be specific to the respective risks associated with a particular site. Doing so would restrict activities that could result in exposure but would allow other uses to go forward which often is all that is necessary to make property viable again.

AOGA believes that UECA will provide a beneficial mechanism to enact enforceable environmental covenants, where no formal mechanism currently exists. The proposed statute (Sec. 46.04.350) will protect private and public entities' interests related to property transactions at or adjacent to environmental response projects. This is particularly important at Resource Conservation and Recovery Act (RCRA) or Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) sites subject to cleanup under EPA oversight. The current Institutional Control process doesn't meet EPA's requirements for enforceability. Furthermore, UECA will enable more efficient use of resources to address chemical contamination to protect human health and the environment at environmental response sites. Cleanups will be fit for purpose and reflective of current and foreseeable future land use for the subject property. Finally, UECA will make real estate transactions more

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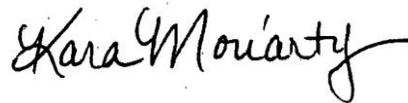
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efficient by reducing the amount of due diligence required in some instances. Existing environmental contamination will have already been documented via a covenant.

AOGA appreciates the opportunity to offer our support for SB 64 and encourages the Alaska legislature to adopt the bill.

Sincerely,

A handwritten signature in black ink that reads "Kara Moriarty". The signature is written in a cursive style with a long horizontal flourish extending to the right.

KARA MORIARTY

President/CEO

Alaska Oil and Gas Association